

## Attachment F

### Denali Commission Quarterly Project Narrative and funds Disbursement Request

Project Name: Southcentral Foundation Phase 1 Group Homes Project

Agency: Southcentral Foundation Reporting Period: July 1 to August 31, 08

Grant #: 65-C-06-401 Amount of Funds Requested \$ \$138,438.75

1. What is the status of the project; include portions completed?

- SCF has completed the project as of 6/30/08.
  - All programs have obtained licensing through the State Department of Certification and Licensing.
  - TFGH II (Cottonwood property) is fully furnished; all renovations completed and have two customers currently as of 6/30/08.
  - TFGH III (Rendezvous property) is fully furnished; all renovations completed and have four customers as of 6/30/08.

2. Is the project on schedule; if not, how will this be dealt with?

Project is complete as of 6/30/08.

3. Is the project on budget; if not, how will this be dealt with?

Funds have been fully expended.

4. Other comments/problems and solutions: n/a

**Denali Commission**  
**Quarterly Project Financial Report**

**Project Name: Capital Enhancement Phase 1 Therapeutic Family Group Homes**

Agency: Southcentral Foundation

Reporting Period: July 1-August 31, 2008

Grant #: 65C-06-401

**Please include the following information:**

*(Use additional pages as necessary)*

Budget Information:

1. The total project budget—Denali Commission and other funds combined  
\$574,464
2. The total project expenditures as of the end of the most recent quarter  
\$574,464
3. The total amount of Denali Commission funds committed to the project  
\$574,464
3. The total expenditure of Denali Commission funds for the project as of the end of this reporting period  
\$574,464
4. The percentage of expenditures to the total budget: 100%

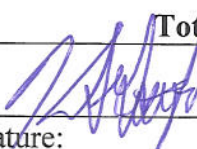
	Total Budget	Total Expenses	Percent of Expenditures to Total Budget
Down Payment	64,243	82,100.00	14.3%
Closing Cost	40,000	11,103.92	1.9%
Renovation cost for 1 <sup>st</sup> Group Home (Cleveland House facility)	83,000	83,738.59	14.6%
Renovation estimate for 2 additional group homes	190,000	217,441.60	37.9%
One Time Furniture, equipment and permits	197,221	180,079.89	31.3%
Total	574,464	574,464	100%

Form 641A

**Denali Commission**  
**Quarterly Project Financial Report**  
**Project Performance Analysis (PPA) Form**

Project Name: Southcentral FoundationReporting Period: April 1- June 30, 2008Grant #: 65C-06-401**NOTE: Include Denali Commission Grant Funds Only on this form.**

Line Items:	Approved Budget:	Actual Cost to Date:	Scheduled Completion Date:	Actual Work Performed:
Down Payment	64,243	82,100.00	Home 2 10/23/07; Home 3 12/26/07	SCF closed on two final properties: 3550 Cottonwood Drive and 4353 Rendezvous Drive.
Closing Cost	40,000	11,103.92	Home 2 (Cottonwood) 10/23/07; Home 3 (Rendezvous) 12/26/07.	SCF closed on two final properties: Cottonwood closed 10/23/07 and Rendezvous 12/26/07.
Renovation of 1 <sup>st</sup> group home	83,000	83,738.59	June 2006	SCF completed renovation as planned.
Renovation estimate of 2 additional homes	190,000	217,441.60	H2 (Cottonwood) 3/1/08; H3 (Rendezvous) 3/15/08.	SCF completed renovation on Cottonwood 3/15/08 and Rendezvous 4/1/08.
One time furniture/equipment	197,221	180,079.89	January 2008	Purchases for programs completed 6/30/08. Not completed on time due to delays in property acquisition, community approval, licensing and staffing.
<b>Totals:</b>	<b>\$574,464</b>	<b>\$574,464</b>		

Signature: 

Katherine Gottlieb, MBA

Print Name and Title:

September 22, 2008

Date:

President/CEO

Form 641B



Southcentral Foundation  
Bring the Kids Home - Capital Grant  
Grant #: 65C-06-401  
Close-Out Report

Background:

Early discussions of stakeholders involved in the Bring The Kids Home (BTKH) initiative identified the need not only for increased residential psychiatric treatment center capacity in the state, but also that developing that capacity without a full continuum of care would simply result in moving Alaska's youth from out-of-state restrictive, residential settings to in-state restrictive residential settings. This clearly was not a BTKH outcome desired by the stakeholders. Consequently, an effort was made by the Alaska Mental Health Trust Authority and the Division of Behavioral Health to help providers develop a fuller spectrum of community-based services for SED children and their families. The tangible result was a request for proposals to develop or expand some of the community-based services felt critical for the initiative. Southcentral Foundation submitted three proposals. One was awarded in the first year to initiate planning for development of therapeutic group homes for children in the Anchorage area. Subsequently SCF received notification of Capital Project funding to support facility expenses related to this project.

SCF's intent was to establish three therapeutic group homes during the 2007 year. The three programs were intended to focus on serving three priority populations: females, ages 14-18; males, ages 14-18 with co-occurring substance abuse and youth, ages 14-18 with FASD related disabilities.

With the expansion of community-based residential programs for these populations, SCF intended to contribute toward the State of Alaska's effort to expand in-state options for child and adolescent care with emphasis on community integration, and to provide culturally appropriate, in-state options for Alaska Native SED youth and their families. With the Denali Commission funding, SCF's project's objectives included:

- Establishing three therapeutic group homes with competence to serve youth with mental health and substance abuse –related issues and,
  - Establish one specialized home for youth with FASD related disabilities
  - Establish one home for SED females,
  - Establish one home for SED males with co-occurring substance abuse.

Activities:

The Notice of Grant Agreement was finalized November 20, 2006, authorizing the capital funding in the amount of \$574,464 for Southcentral Foundation's (SCF) Phase I project, for acquisition and renovation of three therapeutic family group homes.

SCF completed renovations to an existing SCF facility, located at 1701 Cleveland Drive, to house the 8-bed therapeutic family group home for adolescent females between the ages of 14 and 18. Renovation of the first home (Southcentral Foundation's Cleveland Drive Property) were completed in June of 2006. The program opened in October 2006.

SCF reviewed more than 300 residential properties for possible locations for the remaining two programs. Several final homes were seriously vetted and board approval obtained to pursue purchasing and community acceptance explored. The community acceptance process significantly slowed progress on final property acquisition as well as other unanticipated problems, such as proximity to a program serving sexual offenders- resulting in a withdrawn offer for one property.

Southcentral Foundation's Management coordinated with local community counsel's regarding property purchases and plans for each property to inform communities of property intent and address any concerns.

SCF closed on the Cottonwood Drive property October 23, 2007, and closed on the third and final property (Rendezvous) on December 26, 2007.

SCF facilitated the competitive bid process for renovations of both Cottonwood and Rendezvous in January of 2008 and property renovations were completed in March of 2008

SCF submitted the applications for child care licensure for the Cottonwood and Rendezvous properties and obtained provisional licenses for both programs in April 2008 and began admitting customers in May and June of this year.

Cost Containment (applies to capital projects only):

Cost controls for this project were exercised in several ways. The Cleveland Drive facility (located at 1701 Cleveland Drive, Anchorage) was an SCF owned facility that had been utilized in the past for other behavioral health programs. SCF followed the required competitive bid process.

The financing option for the purchase is another area in which SCF exercised cost control. At the time of purchase, Southcentral Foundation considered financing the purchase of the homes through traditional bank financing. The annual percentage rates at the time were approximately 7.75%. Alaska Housing Finance Corporation (AHFC) provided a significantly lower rate through its Assistance Provider Interest Rate Reduction Program. That program offered the market rate and then a further reduction of that rate based on the occupancy of the homes. Based on the number of individuals in the home which meet certain criteria, the initial market rate is reduced by either 2.5% or 3.5%. So, Southcentral Foundation received rates below the market through AHFC's program.



### Project Outcomes:

SCF had identified the following goal and objectives for the Therapeutic Family Group Home project.

**Goal 1: Seriously emotionally disturbed children and their families will have access to the level of effective and culturally competent community-based care needed in a system of care encompassing the entire spectrum from outpatient to residential.**

*Objective 1.1 - Three therapeutic group homes, each with capacity to house 6-8 youth, will be operational by the end of 12 months following receipt of the Notice of Grant Award (NGA).*

Outcome: SCF established three Therapeutic Family Group Homes by June 30, 2008. The original timeline was not met due to difficulties relating to property selection and community acceptance. This delay did not result in any additional cost to the project. The Cleveland property is currently operating as an eight (8) bed program for girls, ages 14-18.

The original plan for 6-8 beds within the other two programs had to be abandoned with a revised plan to have capacity for a total of five youth per home. This change was required to maintain cost controls. Municipal fire codes would have required installation of a fire protection sprinkler system in each residential home if the number of beds exceeded a total of five (5). This may have put the project over budget.

*Objective 1.2 - One group home specialized for children with the difficult to treat diagnosis of Fetal Alcohol Syndrome or other condition within the range of Fetal Alcohol Spectrum Disorders will be operational within 12 months following NGA.*

Outcome: SCF is currently serving youth in the three programs with suspected alcohol related disabilities. The Division is working on modification to the treatment model with the assistance of the Substance Abuse and Mental Health Administration's FASD Center for Excellence. SCF is targeting January of 2009 for implementation of the modified FASD treatment pilot for the program.

*Objective 1.3 - One group home specialized for girls, an underserved population, will be operational within 12 months following NGA.*

Outcome: All three homes are operational and two of these programs target females, ages 14-18. The project timeline had to be extended due to delays related to property acquisition and community acceptance at no additional cost.

*Objective 1.4 - One group home specialized for males with co-morbid substance abuse/dependence and a severe emotional disorder will be operational within 12 months following NGA.*

Outcome: All three homes are operational and one home (Cottonwood Drive) specifically serves male adolescents between the ages of 14 and 18 with substance abuse/dependence and severe emotional disorders. The project timeline had to be extended due to delays relating to property acquisition and community acceptance. This extension did not result in additional cost.

*Objective 1.5 - All three group homes will be competent to serve children with Dual-Diagnoses (a substance use disorder and SED).*

Outcome: All three programs admit youth with co-morbid mental health and substance abuse-related diagnosis. Treatment planning for youth with co-morbid disorders includes access to substance abuse prevention and treatment services.

#### Problems Encountered:

SCF experienced delays in the original timeline for three homes. These delays included some challenges related to a delay in the receipt of the grant NGA, difficulty in finding properties which were 1) located in Anchorage neighborhoods favorable to similar projects, 2) identification of properties with desired square footage, number of rooms, layout, etc., 3) neighbors or community members actively against placement of programs within their neighborhoods and 4) property purchase was contingent upon community acceptance. SCF was not able to facilitate renovation bid process for any property until the property was secured. This also resulted in additional timeline delays. Bids were sent out around the holiday season and the few companies that did respond were not able to initiate the work until after the first of the New Year.

SCF initially established an MOA arrangement with Cook Inlet Housing Authority (CIHA) to lease properties owned by CITC, assuming leasing the properties and having them managed by CITC was preferable to direct SCF ownership. In early 2007, after further evaluation of market lending rates available to SCF versus long term leasing, SCF's leadership determined it was preferable for SCF to purchase the properties directly versus leasing.

After obtaining SCF Board approval to purchase on property, SCF had to withdraw because of an assisted living facility serving adult offenders was found to be in close vicinity to the identified property.

After several months of pursuit for on property in South Anchorage, SCF had to withdraw the offer due to strong opposition by the immediate neighborhood. The community was very negative toward the purchase and based upon some of the community's response, SCF did not feel it would be a positive environment for the program or youth served.



### Conclusions and Recommendations:

The challenge of finding properties within neighborhoods that were supportive of SCF's intended use was substantial. The purchasing of an identified property was contingent upon the ability to mobilize quickly enough to assess community support for the project while still being able to act efficiently on desirable properties with buyer competition. If SCF were to pursue development of similar programs in the future, it would be appropriate to build into the project timeline a minimum of one year for property selection/community acceptance and another year for program operationalization.

SCF is very grateful to have had the support and opportunity through the Denali Commission, State of Alaska and Mental Health Trust to develop the Therapeutic Family Group homes and to expand the continuum of community-based care options for adolescence and their families. Since all homes have been operational, the programs have a healthy referral base from agencies, health care providers and families residing across the State of Alaska.